

**South Coast-Southern
Output 98/99-09/10**

Year	Sawlogs - m ³			Sawlogs - tonnes		Pulp tonnes	Total Output tonnes
	Large m ³	Small m ³	Salvage m ³	Large tonnes	All tonnes		
98/99	36,977	11,078	31,452	43,263	93,023	59,303	152,326
99/00	33,474	7,628	23,505	39,165	75,590	61,356	136,946
00/01	29,588	6,352	33,474	34,618	81,214	69,030	150,244
01/02	29,108	4,127	31,028	34,056	75,188	42,735	117,923
02/03	46,736	3,585	41,654	54,681	107,611	55,224	162,835
03/04	44,525	4,697	38,244	52,094	102,335	60,210	162,545
04/05	37,238	4,569	40,513	43,568	96,314	64,050	160,364
05/06	43,945	6,413	38,876	51,416	104,404	91,854	196,258
06/07	42,731	7,157	29,821	49,995	93,260	107,367	200,627
07/08	47,750	6,369	27,716	55,868	95,747	96,974	192,721
08/09	39,215	5,178	25,167	45,882	81,385	89,396	170,781
09/10	34,532	5,701	23,802	40,402	74,921	93,777	168,698
	465,819	72,854	385,252	545,008	1,080,992	891,276	1,972,268

**Figure 1: South Coast-Southern
Product Lines 98/99-09/10**

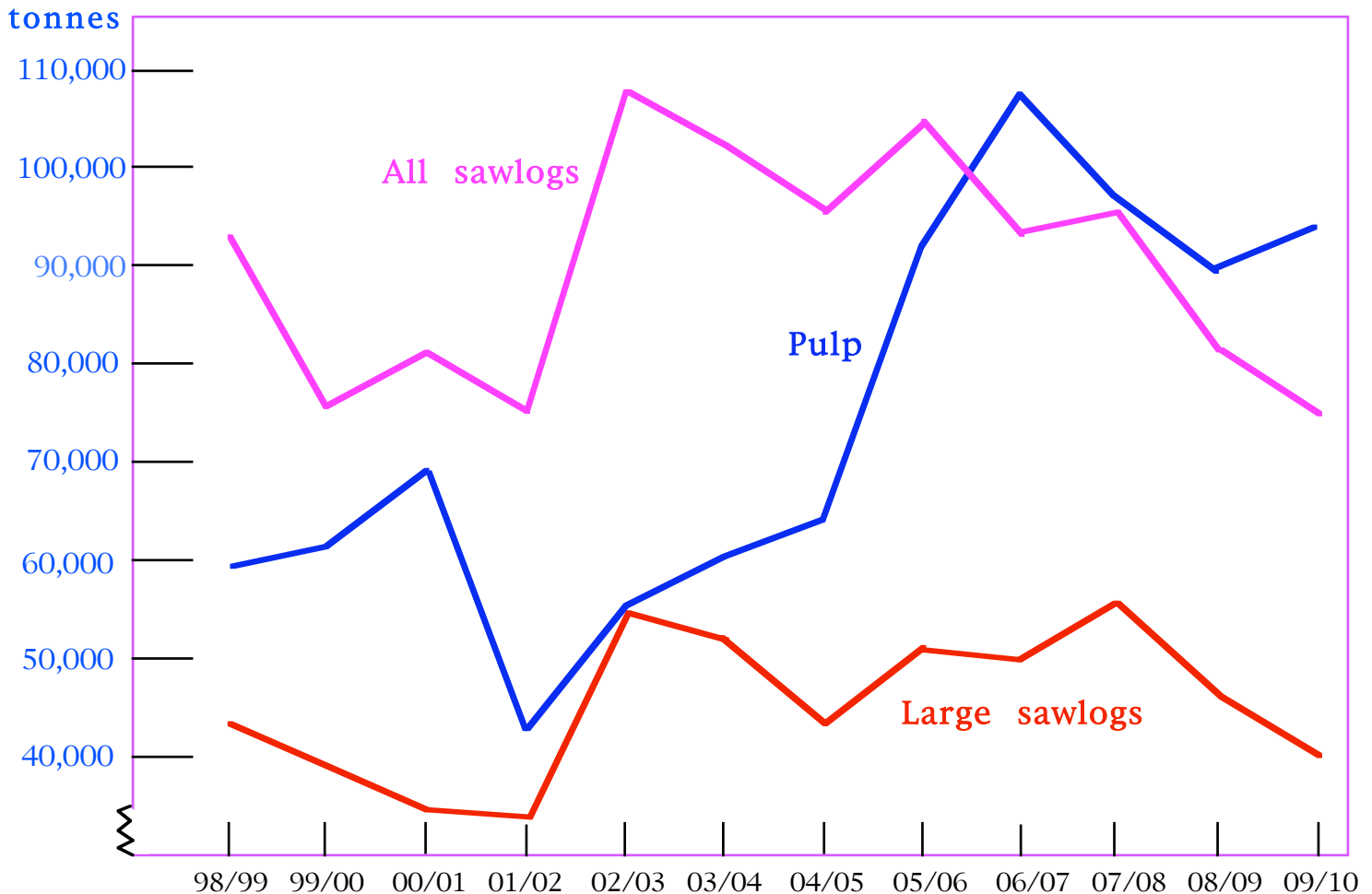
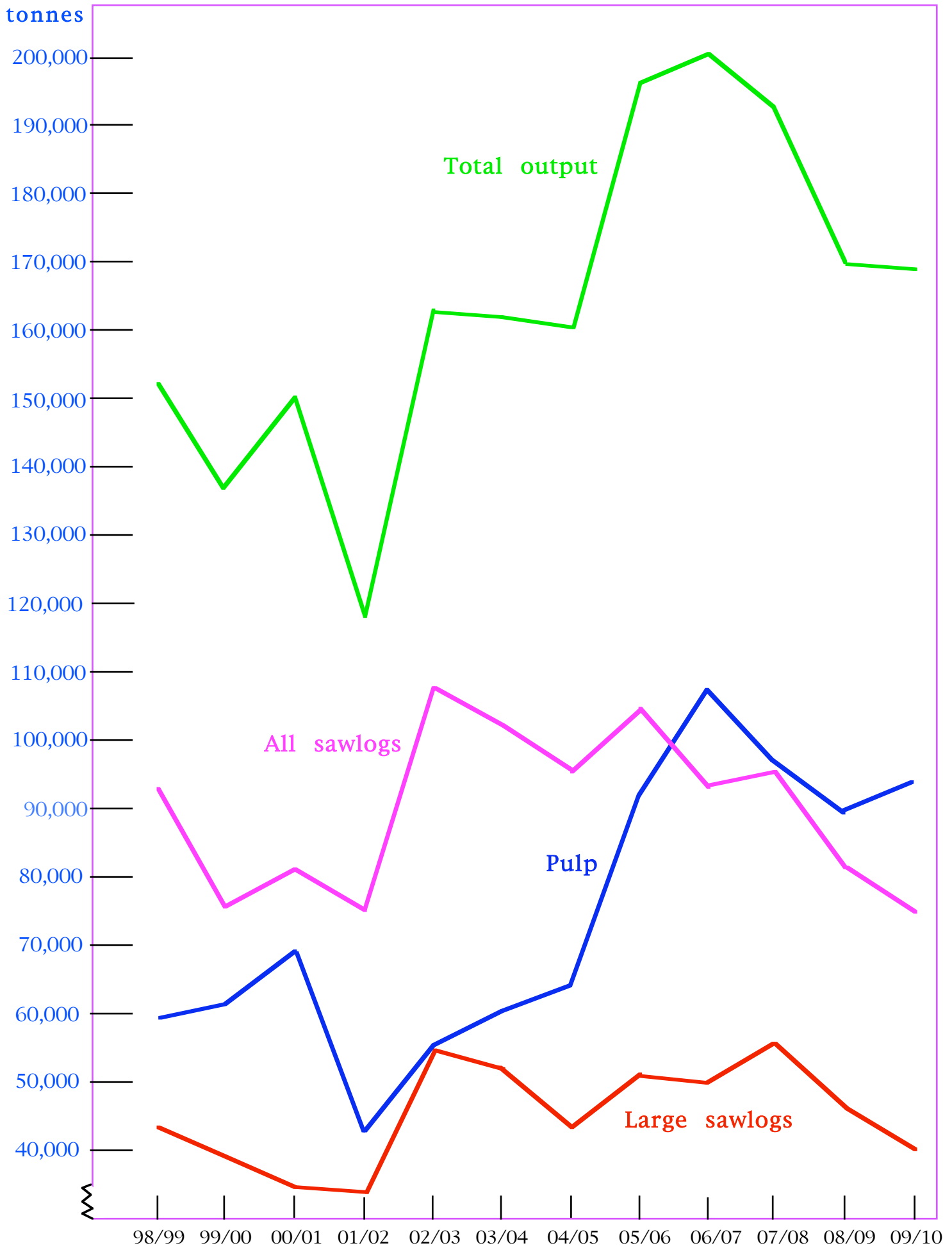
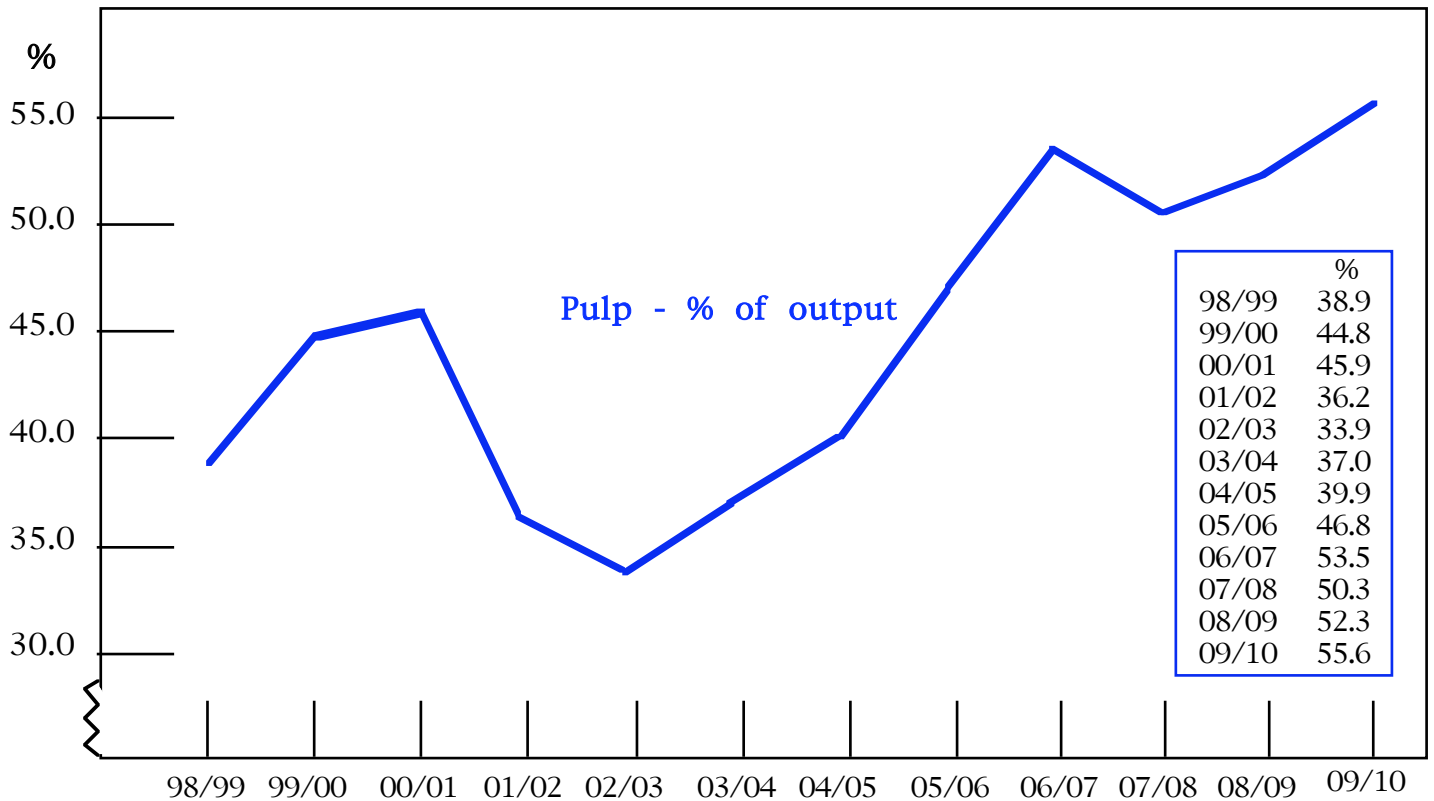


Figure 2: South Coast-Southern
Total Output & Product Lines 98/99-09/10



**Figure 3 South Coast Southern
Pulp - % of output 01/02-09/10**



Interpretation of Graphs

- 1) The graphs show that pulp is the dominant output in South Coast-Southern - since 06/07.
- 2) The rise in total output since 02/03 has been due to pulp - sawlogs have been flat and then declined significantly from 05/06.
- 3) Pulp output is greater than all sawlogs combined.
- 4) All sawlogs have declined significantly since 05/06
- 5) Large sawlogs have declined since 07/08

What does this Say about FNSW's Strategy

- 1) FNSW is seeking to get out of its financial mess by increasing the output of a low price product - namely pulp.
- 2) In the process high value products - namely sawlogs - have declined.
- 3) This is not a good strategy- to expand the output of a low price product at the expense of high priced products. Sawlogs may be in short supply - so FNSW may think there is no other alternative.
- 4) This strategy is also a way of protecting FNSW's staff numbers.

What Should be Done

- 1) Stop supplying pulplogs
- 2) Allow forests to repair - so that more sawlogs can be supplied.
- 3) Reduce costs. Cut staff numbers in half. Reduce other costs as much as practicable. Close down the Eden office and the Narooma forest centre.
- 4) Reduce the amount of regulation - it adds to costs, they may not be followed in any case and there may be other ways of doing it.

South Coast-Southern - Yield/ha 01/02-09/10

Year	Area logged ha	Large Sawlogs m ³	Yield: Large Sawlogs		Yield: Total Output t/ha
			m ³ /ha	t/ha	
01/02	3,794	29,108	7.67	8.97	31.1
02/03	3,710	46,736	12.60	14.74	43.9
03/04	4,363	44,525	10.21	11.94	37.3
04/05	3,361	37,238	11.08	12.96	47.7
05/06	5,095	43,945	8.63	10.10	38.5
06/07	7,618	42,731	5.61	7.01 8.20	32.9
07/08	3,924 **	47,750	12.17	14.24	49.1
08/09	3,705	39,215	10.58	12.38	46.1
09/10	1,866 #	34,532	18.51	11.94 13.97	58.3
Total	37,436	365,780	9.77		
Adjusted			9.73		

Source: FOI data Forests NSW, Auditor General's Report, IFOA data

** from data supplied by FNSW

Figures in red have been adjusted as the area logged figures are problematic.
The 09/10 adjusted figures still look too high.

Area logged Figures

The area logged in a compartment is recorded when logging is complete in that compartment - this can take up to 3 years after the current year.

If logging is not complete in a compartment it is recorded as ongoing.

The area logged figures don't relate very well to the output figures. Long lags are involved in the recording of area logged. Some compartments can be shown as ongoing in one year - and then never reappear in later years. They are never recorded as completed.

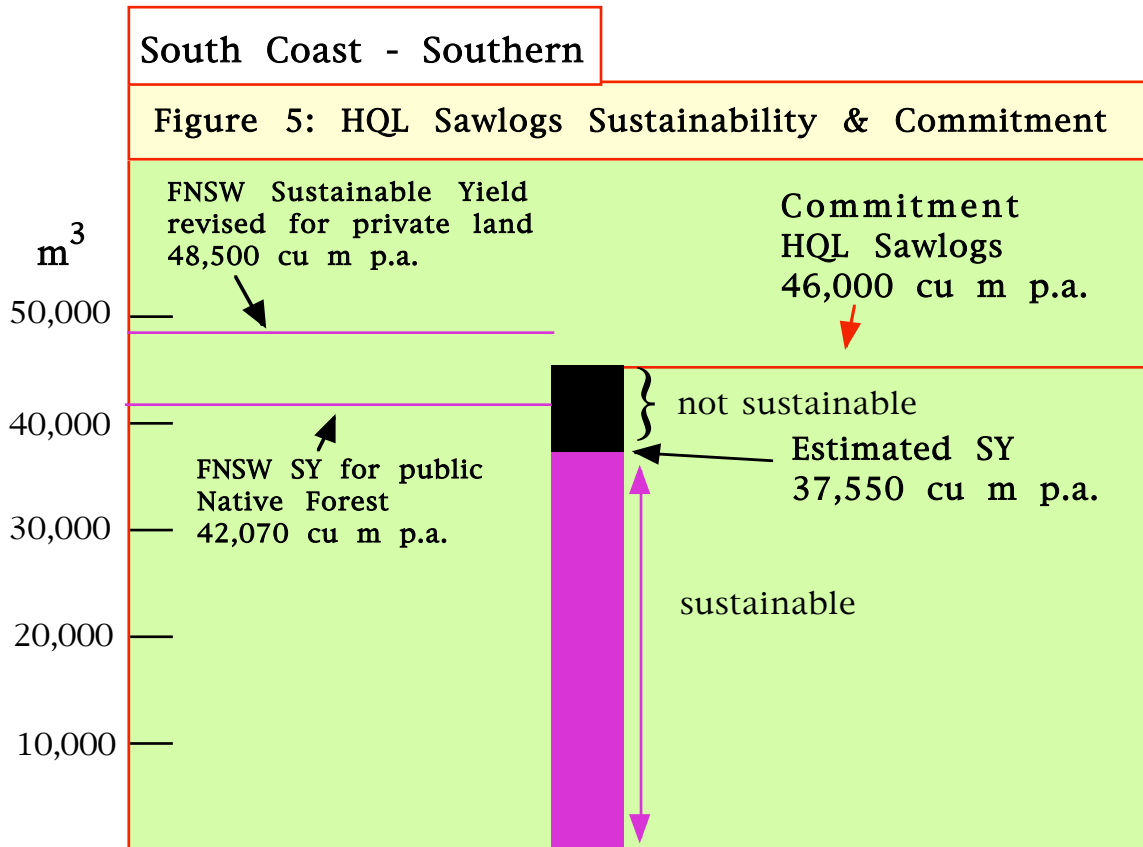
For 09/10, 17 out of 44 compartments logged are shown as completed. Ongoing compartments from 07/08 and 08/09 also appear. 10 compartments from 07/08 are still shown as ongoing in 09/10 and 2 compartments are not there. 16 compartments from 08/09 are shown as ongoing in 09/10 and 4 are not there.

Figure 4: South Coast-Southern
Yield Large Sawlogs & Total Output
01/02-09/10



The area logged figure for 09/10 is too low. I have made an adjustment but the yields still look too high.

Sustainable Yield of Large (HQL) Sawlogs & Commitment



Source: Auditor General's Report April 2009, FOI Data, IFOA data

Estimated Sustainable Yield - HQL Sawlogs

Sustainable yield was estimated using actual logging yields for large (HQL) sawlogs.

Sustainable yield = actual yield HQL/ha * 2 * net harvestable area divided by the original cutting cycle * an adjustment factor of 97.75% to account for over cutting.

Note: Assuming logistics growth, the growth rate of a natural resource population and its sustainable yield are at a maximum when the population size equals half the carrying capacity.

$$\begin{aligned}
 \text{Sustainable yield} &= \{(9.73 \text{ cu m} * 2 * 102,200 \text{ ha}) / 51.75 \text{ years}\} * 0.9775 \\
 &= 37,566 \text{ cu m p.a.} \\
 &= 37,550 \text{ rounded down to nearest 50}
 \end{aligned}$$